

FAQ - Loan Servicing

Q. - What can I do about problems with my loan servicer?

A. - There are a variety of licenses or authorities under which a mortgage company can service a home loan, including a real estate broker license issued by the Department of Real Estate. Regardless of the license or authority under which a company is operating, there are several things that a borrower can do in order to resolve a loan servicing problem.

Most loan servicers have an 800 customer service number. Consumers should call their servicer and explain the problem. Be sure to have your loan number and pertinent documents in hand before calling. Document the call by writing down to whom you spoke, the date and time of the call and what was promised. If the customer service representative is unable to immediately resolve the problem, be sure to ask for some sort of follow-up action, and when you might expect a call-back or a timeframe in which the problem will be resolved. After speaking with a customer service representative, or if you are unable to successfully contact the servicer by telephone, a letter should be sent to the servicer, at the address for correspondence indicated on your monthly statement or documents.

Section 6 of the Real Estate Settlement Procedures Act (RESPA), which is enforced by the federal Department of Housing and Urban Development (HUD), requires a servicer to acknowledge such a written request to resolve a problem within 20 business days and to attempt to resolve the problem within 60 business days. If the correspondence is not acknowledged or the problem is not resolved within those time frames, you may file a complaint with HUD (<http://www.hud.gov> or contact HUD's Enforcement Center at (202) 708-1455) and you may be able to file a civil lawsuit against the servicer. A sample letter to the loan servicer may also be found at their website at <http://www.hud.gov/offices/hsg/sfh/res/reslettr.cfm>.

Complaints may also be filed with the appropriate government agency that regulates the servicer. Following is a list of both federal and state agencies.

To determine if the servicer is licensed by a California State Agency, you may check the license status on the DRE Web site <http://www.dre.ca.gov> and click on "California Real Estate and Financial Services License Information or call (916) 227-0770.

If the servicer is licensed by the Department of Real Estate (DRE), a complaint may be forwarded to:

Department of Real Estate
Mortgage Loan Activities Unit
P.O. Box 187000
Sacramento, CA 95818-7000
(916) 227-0770

If the servicer is licensed by the California Department of Corporations (DOC), you may call (866) 275-2677 to determine how a complaint may be filed. To determine if the servicer is licensed by the DOC, you may consult their Web site at <http://www.corp.ca.gov>.

If the servicer is licensed by the California Department of Financial Institutions (DFI) you may call (916) 322-5966 in Sacramento, (415) 263-8500 in San Francisco, (213) 897-2085 in Los Angeles, or (619) 682-7227 in San Diego. To determine if the servicer is licensed by DFI, you may consult their Web site at <http://www.dfi.ca.gov>.

For national banks, or for federally or state chartered savings institutions, contact the Office of the Comptroller of the Currency at (800) 613-6743 or <http://www.occ.treas.gov>.

Regardless of the nature of the loan servicing problem, it is important to continue to make your scheduled monthly payments on time in order to avoid a potential default on the loan and risking foreclosure.